



House of Lanterns, Inc.

760-395-1727

345 DESERT SHORES DRIVE, DESERT SHORES, CA 92274

RESOLUTION OF THE HOUSE OF LANTERNS AFFIRMING SUPPORT OF THE SALTON SEA AUTHORITY PLAN AND PROJECT DESIGN

Whereas, the Salton Sea Authority is a joint powers agency formed under the laws of the State of California by a Joint Powers Agreement dated June 2, 1993, as subsequently amended, and;

Whereas, the five member entities that presently comprise the Salton Sea Authority are counties of Riverside and Imperial; the Imperial Irrigation District, the Coachella Valley Water District, and the Torres Martinez Tribe of Desert Cahuilla Indians and;

Whereas, the House of Lanterns seeks unanimity from all Salton Sea Authority member agencies to insure broad local support for a regional solution to a regional problem;

Whereas, time is of the essence in achieving broad local support for a specific locally preferred restoration plan because of the separate state and federal processes for identifying preferred alternatives for Salton Sea restoration that will conclude in December 2006, and;

Whereas, the Salton Sea Authority on October 27, 2005 approved in concept a locally developed and preferred Salton Sea Authority Plan for Salton Sea Revitalization and Restoration (the Salton Sea Authority Plan) and related essential Policy Positions:

1. Recognition of the Salton Sea Authority's leadership role in the restoration project, representing regional interests in economic development and environmental restoration, coordinating with federal, state and local interests, and being responsible for constructing and operating restoration related facilities, without accepting responsibility for water-transfer related environmental impacts.
2. Maintenance of the Salton Sea as a repository for untreated agricultural drain water from the Imperial and Coachella Valleys.
3. Preservation and protection of the water rights of the Imperial Irrigation District and the Coachella Valley Water District; the beneficial uses of water by each; the beneficial terms and provisions of the Quantification Settlement Agreement and Related Agreements; and the benefits accorded to the County of Imperial, County of Riverside, Imperial Irrigation District and the Coachella Valley Water District under Water Code section 1013 and under legislation adopted in 2003 to facilitate the Quantification Settlement Agreement in SB 277, SB 317, and SB 654.

4. A contractual commitment by the Imperial Irrigation District that it will not take actions beyond those set forth in the Quantification Settlement Agreement and Related Agreements, or as prudent to preserve and protect its water rights from reasonable use or water quality challenges, or as necessary to manage and operate the water supply within the Imperial Valley that will result in a material diminution in the volume of agricultural drain water.

5. Inclusion in the restoration project of a fresh water reservoir with approximately 250,000 AF storage volume constructed and maintained as part of the restoration project with a right for the Imperial Irrigation District to store water in the fresh water reservoir to enable the Imperial Irrigation District to better manage the fluctuations in Imperial Valley annual consumptive use and hence to better manage the fluctuations in agricultural drain water volumes that could benefit the Salton Sea. The SSA and 110 shall use their best efforts to obtain state and/or federal grant funding to cover the incremental construction cost for the reservoir and shall share any remaining construction costs based on an allocation of benefits. O&M costs shall also be shared based on an allocation of benefits.

6. A restoration project design that protects against the adverse effects of elevation and salinity fluctuations in the Salton Sea, which reflect fluctuations in annual consumptive use and drain volumes.

7. A restoration project that secures federal and state involvement to meet all federal, state, regional, and local air quality standards.

8. A restoration project design that, to the extent feasible, includes recreation compatible, open water lakes in both the north and south ends of the current Salton Sea basin.

9. A restoration project design that is developed through public outreach and local land-use planning and that, to the extent feasible, maximizes economic development and recreational opportunities on a regional basis and respects tribal cultural and heritage values.

10. A financing plan that includes, to the extent feasible, the use of local tax-increment bonds, community facility district funds, private investor funding, a portion of local funds in the Salton Sea Restoration Fund controlled by the state legislature, and federal contributions.

11. A construction and operating plan that, to the maximum extent feasible, utilizes local labor resources, materials and suppliers and complies with all state, federal and tribal labor laws, and;

Whereas, the Imperial Irrigation District (IID) Board of Directors endorsed the above stated policy positions in October 2005; and on February 7, 2006, the 110 board unanimously approved a resolution stating the IID's intent to negotiate the contractual water supply commitment stated in paragraph 4 of these policies; and;

Whereas, the Quantification Settlement Agreement (QSA) Environmental Impact Report/Statement as certified by the Imperial Irrigation District and the U.S. Bureau of Reclamation and used by the State Water Resources Control Board for Water Rights Order 2002-0013 for QSA water transfer are based on projections that inflows to the

Salton Sea after the QSA water transfer will average 950,000 acre feet a year over the 75-year term of the QSA;

Whereas, the current Salton Sea Authority Plan would foster regional economic development and recreational opportunities by creating the second largest lake in the state as well as a smaller lake that will be the fifth largest lake in the state.

Now Therefore It is Resolved, that the House of Lanterns hereby affirms its support of the Salton Sea Authority Plan and Policy Positions adopted October 27, 2005, and of a project design based upon average long-term inflows of 800,000 acre feet a year; and

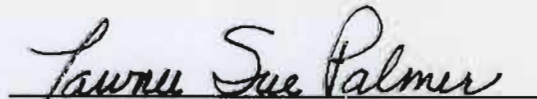
Resolved, that the Salton Sea Authority should proceed immediately with implementation of the Salton Sea Authority Plan by forming a private/public partnership and following the Authority's approved Policy Positions for state and federal involvement in a locally initiated project;

Resolved, that the House of Lanterns urges the Riverside County Board of Supervisors, Board of Directors of the Coachella Valley Water District, and the Torres Martinez Tribe of Desert Cahuilla Indians adopt an identical resolution in support of the Salton Sea Authority Plan and the Authority's board-approved Policy Positions within 30 days of passage of this resolution by the Board of Directors of the West Shores Chamber of Commerce.

Passed and Adopted by the HOUSE OF LANTERNS during a regularly scheduled meeting on this 6th day of June, 2006.



President



Secretary